

EXHIBIT C  
TO  
DECLARATION OF CONDOMINIUM OWNERSHIP  
FOR THE  
3410 LAKE SHORE DRIVE CONDOMINIUM

BY-LAWS  
OF  
3410 LAKE SHORE DRIVE CONDOMINIUM ASSOCIATION

ARTICLE I

Members  
(Unit Owners)

Section 1. ELIGIBILITY. The Members of THE 3410 LAKE SHORE DRIVE CONDOMINIUM ASSOCIATION, an Illinois not-for-profit organization, shall consist of the respective Unit Owners of the property known as 3410 LAKE SHORE DRIVE CONDOMINIUM located in Chicago, Illinois (called the "Property"). These and other terms are used in these By-Laws as they are defined in the Declaration of Condominium Ownership for the 3410 Lake Shore Drive Condominium, which Declaration is recorded in the office of the Recorder of Deeds of Cook County, Illinois. The words "member" or "members" as used in these By-Laws mean and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in the Declaration.

Section 2. SUCCESSION. The Membership of each Unit Owner shall terminate when such person, trust, corporation or partnership, as set forth in Article I, Section 1, above, ceases to be a Unit Owner, and upon the sale, transfer or other disposition of such person's or entity's ownership interest in the Property, the person's or entity's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. REGULAR MEETINGS. The first annual meeting of Association members (the "First Meeting") may be held subject to the terms hereof, on any date, at the option of the First Board (as hereinafter defined); provided, however, that said First Meeting shall be held not later than the first to occur of the date on which the Developer has sold and delivered its deed for at least 75% of the Units on the Parcel and three (3) years after the closing of the sale of the first Unit. For purposes of this provision, 75% of the Units shall mean Units which correspond, in the aggregate, to 75% of the undivided ownership of the Common Elements appurtenant to the Units on the Parcel. Subsequent to the First Meeting, there shall be a regular annual meeting of Unit Owners held on the second Tuesday in the month of April in each year. All such meetings of Unit Owners shall be held at such place in Cook County, Illinois, and at such time as

specified in the written notice of such meeting which shall be delivered to all Unit Owners at least ten (10) days and not more than thirty (30) days prior to the date of such meeting.

Section 4. SPECIAL MEETINGS. Special meetings of the Unit Owners may be called by the President or by a majority of the directors of the Board, provided that such special meetings shall be called by delivering written notice to all Unit Owners not less than ten (10) days nor more than thirty (30) days prior to the date of such meeting, stating the date, time and place of such special meeting and the matters to be considered.

Section 5. DELIVERY OF NOTICE OF MEETINGS. Notice of a meeting may be delivered either personally or by mail to a Unit Owner at the address given to the Board by the Unit Owner for such purpose, or to the Unit Owner's Unit, if no address for such purpose has been given to the Board. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Unit Owner at his address as aforesaid, with postage prepaid.

Section 6. VOTING. The aggregate number of votes for all Unit Owners shall be one hundred (100) and shall be divided among the respective Unit Owners in accordance with their respective percentage of ownership interest in the Common Elements, as set forth in Exhibit B of the Declaration, as Exhibit B may be amended from time to time. If any Unit Owner consists of more than one person, the voting rights of such Unit Owner shall not be divided but shall be exercised as if the Unit Owner consisted of only one person, in accordance with the proxy or other designation made by the persons constituting such Unit Owner. The Developer may exercise all voting rights with respect to the Units owned by it from time to time.

Section 7. QUORUM. A quorum of Unit Owners for any meeting shall be constituted by Unit Owners, represented in person or by proxy, holding at least forty (40) of the votes entitled to be cast at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 8. PROXIES. At any meeting of Unit Owners, a member of the Association entitled to vote may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact and in accordance with any rules and regulations established by the Board. No proxy shall be valid after eleven months from the date of its execution.

## ARTICLE II

### Board of Directors

Section 1. GENERAL POWERS. The affairs of the Association shall be managed by its board of directors.

Section 2. NUMBER, ELECTION AND TERM OF OFFICE. The Board of Directors of the Association (referred to in the Act as the "board of managers," and sometimes referred to herein as the "Board") shall consist of five (5) members (hereinafter referred to as "directors"). The Units shall be represented on the Board by directors chosen and subject to removal by the Unit Owners, except that the directors listed in the Articles of Incorporation of the Association (hereinafter called "members of the First Board") shall be appointed by the Developer. Notwithstanding anything to the contrary in the Bylaws, the directors shall be classified with respect to the time for which they severally hold office into two classes, with each director in each class to hold office until his or successor is elected and qualified. Three of the members of the First Board shall hold a term expiring in 1995 and two of the members of the First Board shall hold a term expiring in 1996. At each annual meeting of shareholders beginning with the First Meeting, the successors of the class of directors whose term expires at such meeting shall be elected, by a vote of a plurality of the members present at such meeting, to hold office for a term expiring at the annual meeting of shareholders to be held in the second year following the year of their election.

Section 3. QUALIFICATION. Each director, except for members of the First Board, shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a corporation, partnership or trust, a director may be an officer, partner, or beneficiary of such Unit Owner). If a director shall cease to meet such qualifications, he shall thereupon cease to be a director and his place on the Board shall be deemed vacant.

Section 4. VACANCIES, REMOVAL. Any vacancy occurring in the Board may be filled only by a Unit Owner or any other person meeting the qualifications set forth in Section 3 above, except that a vacant position on the Board which was last filled by a member of the First Board may be filled by a person appointed by the Developer. From and after the date of the First Meeting, any member of the board of directors may be removed from office by the affirmative vote of 66 2/3% of all Unit Owners.

Section 5. MEETINGS. A regular annual meeting of the Board shall be held without other notice than this By-law, immediately after, and at the same place as, the annual meeting of members. The Board may provide, by regulations which the Board may adopt from time to time, the time and place for the holding of additional regular meetings of the Board without other notice than such regulation. Special meetings of the Board shall be

held upon a call by the President or by a majority of the Board, provided that each director is personally contacted and receives two (2) days notice. All meetings of the Board, whether regular or special, shall be open to all members, except for the portion of any meeting held (a) to discuss litigation when an action against or on behalf of the Association has been filed and is pending in a court or administrative tribunal, or when the Board finds that such action is probable or imminent, (b) to consider information regarding appointment, employment or dismissal of an employee or (c) to discuss violations of rules and regulations of the Association or unpaid assessments owed to the Association, provided that the vote on any such matter shall be taken at a meeting or portion thereof open to any member. Any member may record the proceedings at meetings open to members, by tape, film or other means, subject to reasonable rules and regulations of the Board.

Section 6. COMPENSATION. Directors shall receive no compensation for their services unless expressly provided for in resolutions duly adopted by two-thirds (2/3) of all Unit Owners.

Section 7. QUORUM. Three (3) directors shall constitute a quorum.

Section 8. POWERS AND DUTIES. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association and the Property;
- (c) to formulate policies for the administration, management and operation of the Property and the Common Elements;
- (d) to adopt rules and regulations, after written notice of the meeting called to adopt such rules and regulations is given to all Unit Owners, governing the administration, management, operation and use of the Property and the Common Elements, and to amend such rules and regulations from time to time;
- (e) to provide for the maintenance, repair and replacement of the Common Elements, and payment therefor, and to approve payment vouchers or to delegate such approval to the officers of the Association;
- (f) to provide for the designation, hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration,

management and operation of the Property and the Common Elements;

- (g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
- (i) to estimate the amount of the annual budget, to provide the manner of assessing and collecting from the Unit Owners their respective shares of estimated expenses, as hereinafter provided, and to provide for reasonable reserves in accordance with the provisions of these Bylaws and the Act;
- (j) to grant easements over certain areas of the Common Elements;
- (k) unless otherwise provided herein or in the Declaration, to comply with the instructions of a majority of the Unit Owners (as such majority is defined in Subsection 1(m) of the Declaration), as expressed in a resolution duly adopted at any annual or special meeting of the Unit Owners;
- (l) to enter into management agreements, provided that any management agreement entered into before control of the Property is passed from the Developer to the Association shall be terminable with or without cause and without payment of a fee upon not more than ninety (90) days notice, and further provided that after control of the Property is passed from the Developer to the Association, any management agreement shall have a term of not more than three (3) years and shall be terminable for cause upon thirty (30) days notice; and
- (m) to exercise all other powers and duties of the board of managers or Unit Owners as a group as referred to in the Act, and all powers and duties of a board of managers or a board of directors referred to in the Declaration or these By-Laws or the Business Corporation Act and Not-For-Profit Corporation Act of Illinois.

The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board, except as otherwise provided by law, the Declaration or these By-Laws.

Section 9. NOTICE. Notice of any special meeting of the Board shall be given at least two days prior to such meeting by

written notice delivered personally or sent by mail to each director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws. Written notice of any meeting of the Board at which the adoption of the proposed annual budget or any increase or establishment of an assessment is to be considered shall be mailed or delivered to all members not less than ten (10) and not more than thirty (30) days prior to any such meeting. Written notice of other meetings of the Board shall be delivered or given to each member at least 48 hours prior thereto, subject to written waiver of such notice signed by the person or persons entitled thereto received by the Board prior to such meetings. Copies of notices of meetings of the Board shall be posted in the entranceways, elevators or other conspicuous place in the Building.

Section 10. NON-DELEGATION. Nothing in this Article or elsewhere in these By-Laws shall be considered to grant to the Board, the directors or the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

### ARTICLE III

#### Officers

Section 1. DESIGNATION. At each annual meeting of the Board, the directors present at said meeting shall elect the following officers of the Association by a majority vote:

- (a) a President, who shall be a director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;
- (b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary;
- (c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported;

(d) such additional officers as the Board shall see fit to elect.

Section 2. POWERS. The respective officers shall have the general powers usually vested by statute or practice in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. TERM OF OFFICE. Each officer shall hold office for the term of one year and until his successor shall have been appointed or elected and qualified.

Section 4. VACANCIES. Vacancies in any office shall be filled by the Board by a majority vote of the directors at a special meeting of the Board. Any officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer he succeeds. Any officer may be removed for cause at any time by the Board at a special meeting thereof.

Section 5. COMPENSATION. The officers shall receive no compensation for their services, unless expressly provided for in a resolution duly adopted by two-thirds (2/3) of all Unit Owners.

#### ARTICLE IV

##### Assessments

Section 1. ANNUAL BUDGET. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year, including salaries, wages, payroll taxes, legal and accounting fees, supplies, materials, parts, services, maintenance, repairs, replacements, landscaping, insurance, fuel, power, and any expenses incurred in connection with the operation of any common expenses. The annual budget shall also take into account the estimated net available cash income for the year, if any, from the operation or use of the Common Elements. The annual budget shall provide for a reserve for contingencies for the year and a reserve for replacements, in reasonable amounts as determined by the Board and in accordance with the Act. To the extent that the assessments and other cash income collected from the Unit Owners during the preceding year shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The estimated annual budget for each fiscal year and any amendments or changes thereto shall be approved by the Board.

Section 2. ASSESSMENTS. On or before the twenty-fifth (25th) day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as

his respective monthly assessment for the common expenses for such year, one-twelfth (1/12) of his proportionate share of the common expenses for such year, as shown by the annual budget. Such proportionate share for each Unit Owner (except as provided below for the Developer) shall be in accordance with his respective ownership interest in the Common Elements, as set forth from time to time in Exhibit B of the Declaration. From and after the date the Declaration is recorded and until the deed to the first Unit is transferred and recorded, the Developer shall pay, as said Developer's respective aggregate monthly assessment for the common expenses the amount of the actual operating expenses required to be paid during the previous month in connection with the operation of the Property. From and after the date the deed of the first Unit is transferred and recorded, the Developer, as the Unit Owner of any Units or as the owner of a beneficial interest in any Unit, shall pay the amount of assessment applicable to each such Unit due and payable for each month until transfer of such Unit, as such assessment is established by the Board pursuant to the terms of the Declaration and these By-Laws. Actual operating expenses shall mean those ordinary expenses attributed to the immediate fiscal period and shall not include capital expenditures, prepaid terms or inventory items to the extent attributable to subsequent fiscal periods.

The Board may assess a late charge in the amount of fifty dollars (\$50) against any Unit Owner who fails to pay the monthly assessment on his Unit when due. Copies of the estimated annual budget and any amendments or changes thereto shall be furnished by the Board to each Unit Owner not less than thirty (30) days before the due date of the first monthly assessment based upon the annual budget or amended or changed annual budget. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new monthly assessments for any year, or shall be delayed in doing so, each Unit Owner shall continue to pay each month the amount of his respective monthly assessment as set forth in the last approved annual budget. No Unit Owner shall be relieved of his obligation to pay his assessment by abandoning or not using his Unit or the Common Elements. The provisions of this Section 2 of Article IV, which affect the amount or manner of payment of the assessments payable hereunder by the Developer or which affect the amount or manner of payment of the Developer's proportionate share of the common expenses, shall not be changed, amended or modified without the prior written consent of the Developer.

Section 3. PARTIAL YEAR OR MONTH. For the first fiscal year, the annual budget shall be as approved by the Developer. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget.



Section 4. ANNUAL REPORT. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. SUPPLEMENTAL BUDGET. In the event that during the course of any year it shall appear to the Board that the monthly assessments, determined in accordance with the estimated annual budget for such year, are insufficient or inadequate to cover the estimated common expenses for the remainder of such year, then the Board shall prepare and approve a supplemental budget pursuant to the terms of the Act covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Unit Owner, and thereupon a supplemental assessment shall be made to each Unit Owner for his proportionate share of such supplemental budget.

Section 6. LIEN. It shall be the duty of every Unit Owner to pay his proportionate share of the common expenses, as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses when due, the amount thereof together with the amount of late fees, if any, shall constitute a lien, as provided in the Act, on the interest of such Unit Owner in the Property, and upon the personal property of such Unit Owner in his Unit and located elsewhere on the Property, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act; provided, however, that such lien shall be subordinate to the lien of a prior recorded first mortgage held by a first mortgagee on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses which become due and payable from and after the date of the recording of a deed in lieu of foreclosure or a foreclosure sale. The provisions of this paragraph of this Section 6 applicable to the priority of liens held by first mortgagees shall not be amended, changed, modified or rescinded in any way without the prior written consent of all holders of first mortgage liens on Units on the Property.

The Association or its successors and assigns, or the Board or its agents, shall have the right to maintain a suit to foreclose any such lien, and the costs of such suits and other fees and expenses, together with legal interest and reasonable attorneys' fees to be fixed by the court, shall be added to the amount due. Furthermore, if any Unit Owner shall fail or refuse to pay when due his proportionate share of the common expenses and such Unit Owner withholds possession of his Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit. The Board or the Association shall have the authority to exercise and enforce any and all rights and

remedies as provided for in the Act, the Forcible Entry and Detainer Act, the Declaration or these By-Laws, or as are otherwise available at law or in equity, for the collection of all unpaid assessments, late fees and collection costs.

Section 7. RECORDS AND STATEMENT OF ACCOUNT. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Common Elements, specifying and itemizing the common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

Upon receipt of ten (10) days written notice to it or the Association from a Unit Owner or from the encumbrancer of a Unit, and upon payment of a reasonable fee, the Board shall furnish to the Unit Owner or encumbrancer a statement of the account setting forth the amount of any unpaid assessments or other charges due and owing from the Unit Owner.

Section 8. DISCHARGE OF LIENS. The Board of Directors may cause the Association to discharge any mechanic's lien or other encumbrance which, in the opinion of the Board, may constitute a lien against the Property or the Common Elements, rather than a lien against only a particular Unit. When less than all the Unit Owners are responsible for the existence of any such lien, the Unit Owners responsible shall be jointly and severally liable for the amount necessary to discharge the same and for all costs and expenses, including attorneys' fees, incurred by reason of such lien. Any amounts due the Association hereunder shall constitute a lien on the interest of the Unit of the responsible Unit Owner, which lien may be perfected and foreclosed in the manner provided in Section 9 of the Act with respect to liens for failure to pay a share of the common expenses. Any such lien shall be junior and subordinate to the lien of the first mortgagee with respect to such unit.

Section 9. HOLDING OF FUNDS. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Unit Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the sole benefit, use and account of all the Unit Owners in the percentages set forth from time to time in Exhibit B to the Declaration.

Section 10. CAPITAL CONTRIBUTIONS. Upon the closing of the first sale of each Unit by the Declarant to a purchaser for value, the purchasing Owner shall make a capital contribution for working capital needs in an amount equal to one-sixth (1/6) of the proportionate share of the common expenses for the current year attributable to the Unit.

## ARTICLES V

### Contracts, Checks, Deposits and Funds

Section 1. CONTRACTS. The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these By-laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

Section 2. CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the treasurer and countersigned by the president of the Association.

Section 3. DEPOSITS. All funds of the Association shall be deposited from time to time to the credit of the Association with such banks, trust companies or other depositaries as the Board may select.

Section 4. GIFTS. The Board may accept on behalf of the Association any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

Section 5. INTERESTED DIRECTORS. No contract or other transaction between the Association and one or more of its directors or between the Association and any corporation, firm or association in which one or more of the directors of the Association are directors or are financially interested is void or voidable because such director or directors are present at the meeting of the Board, or the meeting of a committee thereof, which authorizes or approves the contract or transaction, or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exist:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes, and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such director or directors; or
- (b) the contract or transaction is just and reasonable as to the Association at the time it is authorized or approved.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

## ARTICLE VI

### Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board and committees having any of the authority of the Board, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney, for any proper purpose at any reasonable time.

## ARTICLE VII

### Use and Occupancy Restrictions

Section 1. GENERAL. No obnoxious or offensive activity shall be carried on in any Unit or in the Common Elements, nor shall anything be done therein, either willfully or negligently, which may be or become an annoyance or nuisance to the other Unit Owners or occupants or which disrupts any other Unit Owner's reasonable use and enjoyment of the Property. In addition to the use and occupancy restrictions set forth in Section 21 of the Declaration and any rules and regulations promulgated by the Board, which are incorporated herein by reference, each Unit Owner shall fully comply with the terms of this Article VII.

No Unit Owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside a Unit, or which may be visible from the outside of a Unit (other than draperies, curtains or shades of a customary nature and appearance subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or other equipment, fixtures or items of any kind, without the prior written permission of the Association or Board. No owner of a Unit shall display, hang, store or use any sign outside a Unit, in a hallway or elsewhere, which may be visible from the outside of his Unit, without the prior written permission of the Association or Board.

Section 2. TRASH. Trash, garbage and other waste shall be kept only in sanitary containers, and shall be disposed of in a clean and sanitary manner as prescribed from time to time in rules and regulations of the Board.

Section 3. STORAGE. Articles of personal property belonging to any Unit Owner, such as baby carriages, camping vehicles, bicycles, wagons, toys, furniture, clothing and other articles, shall not be stored or kept in any corridor, hallway, lobby or other common area, except in storage area specifically designated by the Board for use by the respective Unit Owner.

## ARTICLE IX

### Amendments

Until the date of the First Meeting, these By-Laws may be altered, amended or repealed and new by-laws may be adopted, by the affirmative vote of a majority of the directors in office. From and after the date of the First Meeting, these By-Laws, except this Article IX and Article XI, may be altered, amended or repealed and new bylaws may be adopted from time to time by action or approval of two-thirds (2/3) of all of the members at a regular meeting or special meeting, except as otherwise indicated in and with respect to any other provision of these By-Laws. Such amendments shall be recorded in the Office of the Recorder of Deeds of Cook County, Illinois.

## ARTICLE X

### Indemnification

Section 1. GENERAL. The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association), by reason of the fact that he is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses), judgments, fines, and amounts paid in settlement actually and reasonably incurred by or imposed on him in connection with such action, suit or proceeding, provided said person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his conduct was unlawful.

The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that he is or was a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association, against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit provided said person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association; except that no indemnification shall be made in respect to any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association.

Section 2. SUCCESS ON MERITS. To the extent that a member of the Board of Directors, an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees and expenses) actually and reasonably incurred by him in connection therewith.

Section 3. DETERMINATION OF RIGHT TO INDEMNITY. Any indemnification under Sections 1 and 2 shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the member of the Board of Directors, the officer or the member of such committee is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of those directors who were not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or even if obtainable, if a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by a majority of the Unit Owners.

Section 4. ADVANCE PAYMENT. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the member of the Board of Directors, the officer or the member of such committee to be indemnified to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in this Article X.

Section 5. NON-EXCLUSIVITY. The indemnification provided by this Article X shall not be deemed exclusive of any other rights to which any person seeking indemnification may be

entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. The indemnification provided by this Article X shall continue as to a person who has ceased to be a member of the Board of Directors, an officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors and administrators of such person.

## ARTICLE XI

### Construction

Nothing hereinabove contained shall in any way be construed as altering, amending or modifying the Declaration. The Declaration and these By-laws shall always be construed to further the harmonious, beneficial, cooperative and proper use and conduct of the Property. If there is any inconsistency or conflict between these By-laws and the Declaration, the provisions of the Declaration shall control.

All words and terms used herein which are also used in the Declaration shall have the same definition as set forth in the Declaration of Condominium Ownership for 3410 Lake Shore Drive Condominium, which Declaration is recorded in the Office of the Cook County Recorder of Deeds, Cook County, Illinois. The term "member" as used in these By-Laws, means "Unit Owner," as defined in the Declaration.